

FRENCH INDO-CHINA

latiiig important reserves. For one thing, the franc and the piastre had both changed enormously in value. Also the statistics were not free from padding. For example, the loans for Indo-China had specified that French materials must be used in the 1898 railway construction, and this had resulted in a rise in imports wholly independent of the tariff regime. Moreover, the rise in French imports was equalled by that of the foreign imports, since native needs had developed automatically with the French occupation. The 1905-07 agricultural crisis was also reected in the depreciated buying power of natives in Oriental commodities.

It is impossible to be absolute in drawing conclusions as to the working out of the 1892 tariff, for all deductions hinge upon conjecture. French industrialists are notoriously unwilling to adapt their products to a specialized market, especially to an exotic clientele. They rely upon quality and fashion, and Annamite buying power is not only very limited but unmoved by either of those considerations. Without the stimulus of competition, the necessity to please customers naturally dwindle. Foreign competitors offer far cheaper articles, adapted to Oriental taste. Nor can France force these rivals out of the Indo-Chinese market, for when French cotton textiles are the only ones for sale the Annamites limit to the strictest necessities their purchases of that Indispensable: commodity.

The whole tariff issue has had a great effect on the cost of living the government's native policy. Articles protected by the tariff are \$ per cent higher in the colony, and the native taxpayer contributes annually the formidable sum of 12,000,000 piastres to reserve a privileged position for the Metropolitan exporter to

Indo-China. From a budgetary viewpoint, the revenues from duty on goods entering the would have been especially vital to the treasury, at a time the expenses were increasing. The free entry of necessitated higher taxes, and the creation of the monopolies due to the lack of a more legitimate source of revenue* From 1899 to 1925 there was only a slight increase in toftttie* batft beery yield from indirect taxes. The Indo-Cbifia's infant industries is the only poici that cte fee- to tfie 1892 'tariff. Even before the War the injustice of taxing their goods upon 'Breach wares entered the colony duty-free* was gratuitously sacrificing her Far East, midiray between the

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